

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:4210  
ANSWERED ON:18.08.2000  
INDIAN INDUSTRIES  
RAGHUNANDAN LAL BHATIA

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether there is a need to make the Indian Industries competitive in the World stage following liberalisation, economic reforms and structural adjustments;
- (b) if so, whether incapability, inefficiency, low output and low profitability have to be removed from the public sector units; and
- (c) if so, the steps taken or proposed to be taken in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (c): One of the main aims and objectives of the New Industrial Policy, 1991 (NIP) is to make the Indian Industry internationally competitive. With this end in view, reforms have been introduced in the public sector units for removal of incapability, inefficiency, low output and low profitability and for making them viable on a sustained basis and also competitive.

Government have identified Navratna Enterprises, which have the potential to become major players in the world market and have granted them managerial, financial and operational autonomy to enable them to take commercial decisions and become competitive in the domestic and international markets. Similarly, a few other profit-making enterprises have been categorised as 'Miniratnas' to enable them to exercise autonomy subject to fulfilling certain stipulated conditions. In addition to this, on a general basis, the public sector units have been granted higher delegation of financial powers.

The main elements of Government's policy towards the public sector are - restructure and revive potentially viable PSUs, close down PSUs which cannot be revived, bring down Government equity in all non-strategic PSUs to 26% or lower if necessary, and fully protect the interests of workers.